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Hertz **Press Information**

The Hertz Corporation
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FOR RELEASE: A.M.s of Monday, March 25, 1985 CONTACT: Leigh Smith (212) 980-2353

L.A. Tops At 60¢ A Mile, Average Nears 50¢...

NEW CAR OWNERSHIP & OPERATING COSTS FOR '84
RISE 3.1¢ IN 20 TOP CITIES AFTER '83 DROP;
STUDY SHOWS 16¢ VARIATION IN MAJOR AREAS

Average per-mile costs to own and run typical new compact cars in 20 of the nation's top cities last year rebounded by 3.08¢ — 6.6% — to a record 49.61¢ from 1983's 46.53¢ and 5.1% above 1982's previous 47.19¢ high, The Hertz Corporation's new annual estimates showed today.

All 20 major, geographically-spread areas reflected the '84 increases, which ranged from under 2¢ a mile in Cincinnati to more than 5¢ in Houston, according to the lease-rental company's latest study. The score of cities reported costs differing by more than 16¢ a mile.

The rise in the big-city average compares with a previously-reported jump of 5.5%, or 2.4¢, advance in the overall U.S. 1984 national average to 45.67¢ reported by the lease-rental company in February. Auto expenses in large cities are normally higher than in suburban and rural areas.

Eight top cities maintained their 1983 rankings for 1984, the report said. Los Angeles continued to lead the nation with outlays estimated at 60.69¢a mile, up 3.8¢ from 1983. San Francisco was second at 58.16¢; New York City third with 57.25¢; Miami fourth with 53.47; Chicago fifth, 52.74¢; Denver sixth, 51.91¢; St. Louis seventh, 51.57¢; and Seattle eighth, 50.58¢.

(more)

Cincinnati slipped from 17th to 20th place at 44.65¢ a mile, Milwaukee dropped from 12th to 16th at 45.42¢ and San Diego fell from 10th to 12th with 47.53¢, the Hertz rankings show.

Houston climbed from 13th to 9th spot, costing 49.31¢, Detroit was up from 15th to 13th at 446.47, Cleveland inched up from 16th to 14 with 45.8¢ and Atlanta went from 20th to 17th at 45.10¢, according to the new tabulations.

Boosts in car loan interest rates, vehicle sticker prices, insurance, taxes and maintenance more than offset less expensive gasoline and more fuel-efficient new cars to account for the 1984 advance, the study found.

Here are 1984 and 1983 cent-per-mile costs and "rank" of the 20 cities covered in Hertz' new annual survey:

	1984	1983	
#1. Los Angeles	60.69¢	56.86¢	1.
2. San Francisco	58.16	54.61	2.
3. New York City	57.25	54.50	3.
4. Miami	53.47	50.03	4.
5. Chicago	52.74	49.46	5.
6. Denver	51.91	47.74	6.
7. St. Louis	51.57	47.53	7.
8. Seattle	50.58	47.06	8.
20 CITY AVERAGE	49.61	46.53	
9. Houston	49.31	44.09	13.
10. Boston	48.48	45.34	9.

	1984	1983	
#11. Minneapolis	47.58	44.99¢	11.
12. San Diego	47.53	45.34	10.
13. Detroit	46.47	43.44	15.
14. Cleveland	45.80	43.21	16.
NATIONAL AVERAGE	45.67	43.28	
15. Pittsburgh	45.44	43.56	24.
16. Milwaukee	45.42	44.23	12.
17. Atlanta	45.10	41.59	20.
18. Dallas	45.08	42.27	18.
19 Dist. of Col.	45.00	42.11	16.
20. C'Cinnati	44.65	42.68	17.

The 49.61¢ per-mile average for the 20 key, geographically-spread cities is 3.25¢ a mile, or 8.63%, above the previously-reported Hertz estimate of a 45.67¢ overall 1984 nationwide average outlay. Such car-cost elements as insurance, sales taxes and repair labor rates normally are higher in cities.

The Hertz estimates are for normally-equipped vehicles purchased new and driven 10,000 miles a year for five years by average new-car-buying families. Figures exclude parking and toll outlays, which could add 5-30 cents a mile in many metropolitan areas, because these charges can vary so widely even among neighboring motorists.

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Here are Hertz' estimated 20-city averages by cost category for typical new 1984 and '83 compacts:

1984	EXPENSE CATEGORY	1983	Pctg. Change
$ 9,135	Purchase Price, including tax (reflected in depreciation)	$8,378	+ 9.04%
14.62¢	Depreciation	13.74¢	+ 6.64
13.87	Insurance, Licenses & Fees	12.54	+ 10.61
9.17	Interest Paid & Lost	7.57	+ 21.14
4.32	Maintenance & Repairs	3.95	+ 9.37
7.63	Gasoline & Other Service Station Charges	8.73	- 12.60
49.61¢	TOTAL	46.53¢	+ 6.62%

Purchase prices in the '84 study ranged from a low of $8,955 in Detroit to $9,321 in New York. With recent modification of delivery charges, main purchase price variables are state and local taxes and fees.

The category of insurance, licensing and fees ranged from 23.53¢ a mile in Los Angeles to 9.76¢ in Washington. Hertz estimates assume a typical new-car-buying family of four with one youthful male driver. Estimated interest varies from 10.07¢ in Denver to 8.55¢ in Miami.

Maintenance and repair went from 3.65¢ in Atlanta to 5.55¢ in San Francisco while fuel and other service station charges ranged from 7.04¢ in Pittsburgh to 8.34¢ in Seattle.

Prices Up 195% In Past Dozen Years, Hertz Data Shows

Hertz, an RCA subsidiary, pointed out that in the past dozen years passenger car purchase prices rose 195% and ownership and operating charges climbed 172% for comparable models comparably driven.

To keep running expenses lower, motorists have been buying smaller models, with fewer options, keeping them longer and driving them less, figures in the latest Hertz report show. Keeping cars 10 years rather than one, normally saves about one third on ownership costs, for example.

The year 1983 marked only the second time since World War II that ownership and operating charges fell, the lease-rental company noted. In 1971, Federal price controls pushed costs from 19c a mile to 18.7c.

(more)

Over the past 12 years of annual double-digit expense increases, average vehicle mileage dropped 20%, vehicle age rose 26% and most typical new models now are about 1,000 lbs. lighter and a foot shorter than a decade ago.

Estimated averages for other '84 models, also bought new and to be driven 10,000 miles a year for five years, were:

Sub-compacts, 39.79¢ a mile up 6.9% from 37 .23¢ in '83;
Mid-size units, 52.81¢, up 8.1% from 48.87¢;
Intermediates, 54.52¢, up 4.3% from 53.28¢; and
Standard-size, 64.93, up 9% from 59.58¢.

Keeping these units longer,too, usually lowers costs, trading sooner raises outlays. And, HIGHER annual mileage lowers typical per-mile costs but raises total annual spending; LOWER yearly mileage reverses this process. Hertz estimates 1984 personal passenger car mileage averaged 8,317 annually for all units,but 9,838 a year during a new car's first five years.

In addition to yearly estimates of NEW car ownership and operating costs, the lease-rental company also makes public USED car retail sales data and costs, spending on ALL cars and trucks, a survey of the lease-rental and total "fleet" market, plus travel-related data.

Since car costs vary by such a variety of factors, the company urges all motorists to calculate their own individual vehicle expenses and issues a Car Cost Calculation Guide.

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NOTE TO EDITORS: Hertz public studies are available free by writing Hertz Public Affairs, 660 Madison Ave., New York, N.Y. 10021.

CITY RANKINGS OF HERTZ' ESTIMATED 1984 COMPACT CAR COSTS TABLE A
For Autos Purchased New & Driven 10,000 Annual Miles For 5 Years

1984 RNK	CITY	1984 ¢P/Mi.	1983 RANK	1983 CPM	1982 RANK	1982 CPM	'81 RNK.	1981 CPM	'80 RK.	'80 CPM	'79 RK.	'79 CPM
1.	Los Ang.	60.69	1.	56.86	1.	57.08	1.	56.36	1.	49.28	1.	39.50
2.	San Fran.	58.16	2.	54.61	3.	54.33	3.	53.17	3.	44.88	4.	33.00
3.	N. Y. C.	57.25	3.	54.50	2.	56.05	2.	55.16	2.	46.42	2.	39.24
4.	Miami	53.47	4.	50.03	4.	50.04	4.	48.40	4.	40.14	8.	29.73
5.	Chicago	52.74	5.	49.46	5.	49.81	5.	47.29	5.	38.95	9.	29.54
6.	Denver	51.91	6.	47.74	8.	46.98	7.	45.36	6.	38.88	3.	33.08
7.	St.Louis	51.57	7.	47.53	7.	47.61	9.	45.29	10.	37.64	16.	27.67
8.	Seattle	50.58	8.	47.06	6.	47.91	6.	46.37	7.	38.40	6.	30.36
20-CITY AVG.		49.61		46.53		47.19		46.04		38.56		29.95
9.	Houston	49.31	13.	44.09	11.	45.62	8.	45.33	8.	38.36	7.	30.09
10.	Boston	48.48	9.	45.34	10.	46.33	11.	45.14	17.	36.20	13.	28.58
11.	M'n'p'is	47.58	11.	44.99	13.	45.58	12.	44.73	11.	37.06	5.	30.77
12.	San Diego	47.53	10.	45.34	9.	46.39	10.	45.17	9.	38.30	17.	27.55
13.	Detroit	46.47	15.	43.44	20.	41.68	20.	40.87	20.	34.08	19.	26.10
14.	Cleveland	45.80	16.	43.21	14.	45.36	15.	43.81	16.	36.33	18.	26.32
NAT. AVG.		45.67		43.28		44.67		43.42		36.42		28.55
15.	P'sburgh	45.44	14.	43.56	15.	44.75	14.	44.53	15.	36.64	12.	28.64
16.	Milwaukee	45.42	12.	44.23	12.	45.60	13.	44.67	12.	36.88	10.	29.47
17.	Atlanta	45.10	20.	41.59	19.	42.15	19.	41.48	18.	34.90	15.	27.96
18.	Dallas	45.08	18.	42.27	18.	43.11	17.	42.46	14.	36.78	14.	28.01
19.	Wash.D.C.	45.00	19.	42.11	16.	43.73	16.	43.48	13.	36.86	11.	29.10
20.	C'cinnati	44.65	17.	42.68	17.	43.63	18.	41.75	19.	34.28	20.	24.35

NOTE: Slight variations owing to rounding. Major-city costs based on rates in downtown, not surburban, areas. Costs generally are lower in outlying areas. Parking & tolls not included. Hertz Corp. 3/85

ct20d84.pc-3/07/85 1984 Data Use I."Calc. CALCULATES & PRINTS Print Region 1.#2 to end.

TABLE B 1984 HERTZ ESTIMATES OF NEW CAR OWNERSHIP & OPERATING COSTS IN KEY U.S. CITIES
(In Cents Per Mile for New Compact-Sized Models Driven 10,000 Miles Per Year And Kept Five Years)

CITY	NAT.AVER.	Atlanta	Boston	Chicago	C'nati	Clvlnd.	Dallas	Denver	Detroit	Dst.Col.	Houston
Purch.Price $	9,113	8,955	9,041	9,301	9,084	9,171	9,041	9,179	8,955	9,127	9,041
Depreciation	0.1458	0.1433	0.1447	0.1488	0.1454	0.1467	0.1447	0.1469	0.1433	0.1460	0.1447
Ins.,Lics.,Fees	0.1084	0.1029	0.1315	0.1616	0.0980	0.1076	0.1045	0.1527	0.1160	0.0976	0.1446
Interest Costs	0.0917	0.0896	0.0919	0.0892	0.0890	0.0898	0.0867	0.1007	0.0929	0.0856	0.0876
S/T Fixed Costs	0.3459	0.3357	0.3681	0.3996	0.3323	0.3441	0.3358	0.4003	0.3522	0.3293	0.3769
Maint.& Rep.	0.0387	0.0376	0.0429	0.0470	0.0365	0.0390	0.0421	0.0419	0.0402	0.0472	0.0429
Gas,Oth.Ser.	0.0721	0.0777	0.0738	0.0808	0.0777	0.0748	0.0729	0.0770	0.0724	0.0734	0.0734
Stn.Exp.											
S/T Var.Costs	0.1108	0.1153	0.1167	0.1279	0.1142	0.1138	0.1149	0.1189	0.1125	0.1206	0.1162
F & VAR.TOT.	0.4567	0.4510	0.4848	0.5274	0.4465	0.4580	0.4508	0.5191	0.4647	0.4500	0.4931

CITY	Los Ang.	Miami	Mil'kee	Min'pls.	New York	P'sbrgh.	St.Louis	S'Diego	San Frn.	Seattle	20-CITY AVERAGE
Purch.Price	9,255	9,041	9,041	9,127	9,321	9,127	9,095	9,212	9,299	9,282	9,135
Depreciation	0.1481	0.1447	0.1447	0.1460	0.1491	0.1460	0.1455	0.1474	0.1488	0.1485	0.1462
Ins.,Lics.,Fees	0.2353	0.1881	0.1041	0.1129	0.2142	0.1045	0.1547	0.1159	0.2006	0.1276	0.1387
Interest Costs	0.0955	0.0855	0.0892	0.0970	0.0894	0.0932	0.0919	0.0921	0.0969	0.1006	0.0917
S/T Fixed Costs	0.4788	0.4182	0.3380	0.3559	0.4527	0.3437	0.3921	0.3554	0.4463	0.3768	0.3766
Maint.& Rep.	0.0507	0.0389	0.0389	0.0430	0.0426	0.0403	0.0493	0.0421	0.0552	0.0456	0.0432
Gas,Oth.Ser.	0.0774	0.0776	0.0773	0.0768	0.0773	0.0704	0.0744	0.0778	0.0802	0.0834	0.0763
Stn.Exp.											
S/T Var.Costs	0.1281	0.1164	0.1162	0.1199	0.1198	0.1107	0.1237	0.1199	0.1354	0.1290	0.1195
F & VAR.TOT.	0.6069	0.5347	0.4542	0.4758	0.5725	0.4544	0.5158	0.4753	0.5816	0.5058	0.4961

NOTE: Slight variations owing to rounding. Same assumptions made for each city as for National Average Figures issued earlier. Costs include interest paid & lost; insurance premiums based on mid-city rates for typical family with two children, including one inexperienced driver. Garaging, tolls, etc. are excluded. Costs can widely. Hertz issues a free Guide to Car Cost Calculation which can be obtained by WRITING to: Hertz Public Affairs, 660 Madison Ave., New York City, N.Y. 10021.

TABLE C

HERTZ 1984 CITY-BY-CITY ESTIMATES OF COSTS OF DRIVING VARIOUS-SIZED NEW CARS 5 YEARS AT 10,000 MILES PER YEAR
(In Cents-Per-Mile)

City	Sub-compact	Compact	Mid-Size	Intermediate	Standard
Atlanta	36.17	45.10	48.00	49.56	59.02
Boston	38.88	48.48	51.60	53.28	63.45
Chicago	42.30	52.74	56.14	57.96	69.02
Cincinnati	35.81	44.65	47.52	49.07	58.44
Cleveland	38.73	45.80	48.75	50.33	59.94
Dallas	36.16	45.08	47.98	49.54	59.00
Denver	41.63	51.91	55.25	57.05	67.94
Detroit	37.27	46.47	49.46	51.07	60.82
District of Columbia	36.09	45.00	47.90	49.45	58.89
Houston	39.55	49.31	52.48	54.19	64.53
Los Angeles	48.68	60.69	64.60	66.70	79.43
Miami	42.89	53.47	56.91	58.76	69.98
Milwaukee	36.43	45.42	48.34	49.92	59.44
Minneapolis	38.16	47.58	50.64	52.29	62.27
New York City	45.92	57.25	60.94	62.92	74.93
Pittsburgh	36.45	45.44	48.37	49.94	59.47
St. Louis	41.37	51.58	54.90	56.68	67.50
San Diego	38.12	47.53	50.59	52.23	62.20
San Francisco	46.65	58.16	61.90	63.92	76.12
Seattle	40.57	50.58	53.84	55.59	66.20
1984 20-CITY AVERAGE	38.79	49.61	52.81	54.52	64.93
1984 NATIONAL AVERAGE	38.63	45.67	48.61	50.19	59.77
1983 NATIONAL AVERAGE	34.63	43.28	45.46	49.56	55.42
1983 20-CITY AVERAGE	37.23	46.53	48.87	53.28	59.58

NOTES: Costs in cents-per-mile assume NEW 1984 cars as described in notes, with assumptions in constant 1984 dollars. FOR APPROXIMATE costs for other distances divide compact-sized car cost in any city by the NATIONAL average (45.67¢ and multiply the result by the cents-per-mile figure in the 'Constant Miles-Per-Year' columns of Table I -A NATIONAL averages originally issued 2/18/85

HERTZ ESTIMATES OF 1984 NEW CAR OWNERSHIP & OPERATING COSTS

TABLE I-A
2/85

Years Use	<-SUB-COMPACT->	<-'COMPACT'->				INTER-MEDIATE	STAN-DARD
	<-At Constant Annual Mileages->						
	10000	5000	8317	10000	20000	10000	10000
1	0.4214	0.9658	0.6141	0.5369	0.3238	0.5899	0.7138
2	0.4074	0.9203	0.5915	0.5155	0.3144	0.5666	0.6819
3	0.3889	0.8630	0.5644	0.4893	0.3051	0.5377	0.6446
4	0.3760	0.8284	0.5417	0.4709	0.2985	0.5174	0.6181
5	0.3663	0.7951	0.5242	0.4567	0.2928	0.5019	0.5977
6	0.3421	0.7266	0.4815	0.4237	No Data	0.4656	0.5524
7	0.3246	0.6732	0.4520	0.3998	Over	0.4392	0.5191
8	0.3101	0.6334	0.4291	0.3798	100,000	0.4174	0.4918
9	0.2977	0.5985	0.4094	0.3620	Miles	0.3985	0.4682
10	0.2872	0.5676	0.3918	0.3842	—	0.3827	0.4483

HISTORICAL COMPARISONS OF NEW 'INTERMEDIATE' SIZE CAR COSTS

Year	Estimated Varying Mileage Averages Yearly 3-Year Average Annual Mileage	3-Year Use Cost Cents-Per-Mile	10-Year Average Annual Mileage	10-Year Use Cost Cents-Per-Mile	@Constant 10000 Miles A Yr. Average: 3-Yr. Use**	10-Yr. Use	3-Yr.Use @ 10000 MPY CONSTANT (1984) $
1925E	5835	0.1690	Not Available		0.1150	N/A	0.6806
1950	12771	0.0850	9088	0.0800	0.1090	0.0770	0.4690
1960	13497	0.1220	9545	0.0980	0.1440	0.0950	0.5044
1970	14267	0.1470	10096	0.1210	0.1900	0.1220	0.5076
1971	14567	0.1430	10280	0.1190	0.1870	0.1210	0.4790
1972	14652	0.1510	10362	0.1210	0.1970	0.1240	0.4885
1973	13570	0.1620	9597	0.1340	0.2020	0.1310	0.4715
1974	12300	0.2070	8732	0.1710	0.2580	0.1590	0.5007
1975	12561	0.2320	8901	0.1890	0.2720	0.1770	0.5589
1976	11885	0.2480	9015	0.2010	0.2810	0.1790	0.5127
1977	12127	0.2620	9198	0.2080	0.3010	0.2000	0.5153
1978	12082	0.2910	9265	0.2510	0.3510	0.2200	0.5260
1979	11666	0.3400	8850	0.2870	0.3900	0.2640	0.5436
1980	10641	0.4130	8224	0.3450	0.4400	0.3100	0.5783
1981	10652	0.4980	8081	0.4080	0.5090	0.3590	0.6092
1982	10564	0.5168	8057	0.4370	0.5400	0.3831	0.5844
1983	10963	0.4986	8517	0.4345	0.5338	0.3810	0.5601
1984	10963E	0.5008	8517E	0.4301	0.5377	0.3827	0.5377

TABLE I-B

The Hertz Corp.
2/85

HERTZ ESTIMATES OF 1984 MODEL NEW PASSENGER CAR OWNERSHIP & OPERATING COSTS

'COMPACT' MODEL

Years Used	At CONSTANT 8317 M.P.Y. C.P.M.	At CONSTANT 8317 M.P.Y. $ P.Y.	At DECLINING Annual Miles AVERAGING 8317 Over 10-Yr.Period M.P.Y.	At DECLINING Annual Miles AVERAGING 8317 Over 10-Yr.Period C.P.M.	At DECLINING Annual Miles AVERAGING 8317 Over 10-Yr.Period $ P.Y.
1	0.6141	5,107.18	12,651	0.4455	5,623.58
2	0.5815	4,919.61	11,695	0.4557	5,329.74
3	0.5644	4,694.28	10,963	0.4556	4,995.22
4	0.5417	4,505.34	10,266	0.4615	4,737.45
5	0.5242	4,359.92	9,838	0.4599	4,524.69
6	0.4815	4,004.72	9,550	0.4359	4,162.37
7	0.4520	3,758.95	9,317	0.4179	3,893.30
8	0.4291	3,568.48	9,059	0.4057	3,675.45
9	0.4094	3,404.75	8,749	0.3949	3,454.82
10	0.3918	3,258.60	8,317	0.3918	3,258.60

NOTE: Above Costs Are AVERAGES For Varying Use/Mileage Periods; those below are for each INDIVIDUAL year.

CURRENT 1984 DATA 'COMPACT' CAR EXPENSES
YEARLY Costs & Mileages for Various Ownership Periods (Not AVERAGES for ALL Years As Listed Above.)

Year of Use	At CONSTANT 8317 YEARLY Mileages C.P.M.	At CONSTANT 8317 YEARLY Mileages $ P.Y.	At Listed DECLINING YEARLY Mileages AVERAGING 8317 M.P.Y. M.P.Y.	At Listed DECLINING YEARLY Mileages AVERAGING 8317 M.P.Y. C.P.M.	At Listed DECLINING YEARLY Mileages AVERAGING 8317 M.P.Y. $ P.Y.
1	0.6141	5,107.18	12,651	0.4445	5,623.58
2	0.5680	4,732.37	10,739	0.4689	5,035.52
3	0.5102	4,245.33	9,495	0.4554	4,325.84
4	0.4736	3,938.93	8,175	0.4849	3,964.06
5	0.4543	3,778.41	8,126	0.4521	3,673.76
6	0.2680	2,228.90	8,110	0.2899	2,351.05
7	0.2747	2,284.68	7,919	0.2878	2,279.09
8	0.2687	2,234.78	7,253	0.2695	1,954.68
9	0.2515	2,092.06	6,269	0.3005	1,884.02
10	0.2339	1,945.35	4,429	0.3374	1,494.34
Total	0.3918	3,258.60	8,317	0.3918	3,258.60

Slight variations owing to rounding.

BREAKOUT OF NEW CAR OWNERSHIP & OPERATING COSTS OVER THE YEARS TABLE II

Model Year:	1984				Hertz Corp. 2/85	
Purchase Price	$ 9,113			$ 10,103		
Car Size	Compact			Intermediate		
Years Kept	3-Yrs.	5-Yrs.	10-Yrs.	3-Yrs.	5-Yrs.	10-Yrs.
Depreciation	0.1914	0.1458	0.0893	0.2122	0.1617	0.0990
Ins.,Lics.,Fees	0.1084	0.1084	0.0932	0.1156	0.1156	0.0995
Interest (P&I)	0.0838	0.0917	0.0459	0.0929	0.1017	0.0508
FIXED EX.-TOTL.	0.3835	0.3459	0.2284	0.4206	0.3789	0.2494
Maint. & Repair	0.0339	0.0387	0.0472	0.0395	0.0451	0.0550
Gas & Oth. Svc.	0.0719	0.0721	0.0726	0.0776	0.0778	0.0784
Stn.Expenses						
VARIABLE E/T	0.1058	0.1109	0.1198	0.1171	0.1229	0.1334
F & V TOTALS	0.4893	0.4567	0.3482	0.5377	0.5019	0.3827

Model Year:	1983						1982	
Purchase Price	$8356			$9770			$8102	$9387
Car Size	Compact			Intermediate			Compact	Inter.
Years Kept	3-Yrs.	5-Yrs.	10-Yrs.	3-Yrs.	5-Yrs.	10-Yrs.	5-Yrs.	3-Yrs.
Depreciation	0.1811	0.1371	0.0819	0.2117	0.1602	0.0957	0.1329	0.2034
Ins.,Lics.,Fees	0.0998	0.0998	0.0859	0.1062	0.1062	0.0915	0.0980	0.1036
Interest (P&I)	0.0704	0.0766	0.0383	0.0823	0.0895	0.0448	0.0967	0.1007
FIXED EX.-TOTL.	0.3512	0.3134	0.2061	0.4002	0.3560	0.2320	0.3275	0.4076
Maint. & Repair	0.0311	0.0355	0.0422	0.0395	0.0451	0.0536	0.0342	0.0349
Gas & Oth. Svc.	0.0835	0.0838	0.0846	0.0941	0.0945	0.0954	0.0849	0.0971
Stn.Expenses								
VARIABLE E/T	0.1146	0.1193	0.1268	0.1336	0.1396	0.1490	0.1191	0.1320
F & V TOTALS	0.4658	0.4328	0.3329	0.5338	0.4956	0.3810	0.4467	0.5395

Model Year:	1981		1980		1979	
Purchase Price	7621	8326	6454	7129	5079	6161
Car Size	Compact	Interm.	Compact	Interm.	Compact	Interm.
Years Kept	5	3	5	3	5	3
Depreciation	0.1311	0.1943	0.1123	0.1711	0.0884	0.1561
Ins.,Lics.,Fees	0.0907	0.0941	0.0813	0.0848	0.0643	0.0790
Interest (P&I)	0.0969	0.0885	0.0647	0.0643	0.0418	0.0460
FIXED EX.-TOTL.	0.3187	0.3769	0.2583	0.3202	0.1945	0.2810
Maint. & Repair	0.0276	0.0300	0.0252	0.0268	0.0229	0.0248
Gas & Oth. Svc.	0.0879	0.1020	0.0807	0.0929	0.0681	0.0740
Stn.Expenses						
VARIABLE E/T	0.1156	0.1320	0.1059	0.1197	0.0910	0.0988
F & V TOTALS	0.4342	0.5089	0.3642	0.4399	0.2855	0.3798

Model Year:	1978	1975	1974	1973	1972	
Purchase Price	5578.00	4876.00	3934.00	3493.00	3425	
Car Size	Interm.	Interm.	Interm.	Interm.	Intermediate	
Years Kept	3	3	3	3	3	10
Depreciation	0.1422	0.1262	0.1062	0.0943	0.0924	0.0326
Ins.,Lics.,Fees	0.0698	0.0388	0.0370	0.0350	0.0342	0.0245
Interest (P&I)	0.0413	0.0331	0.0246	0.0203	0.0198	0.0110
FIXED EX.-TOTL.	0.2533	0.1981	0.1678	0.1496	0.1464	0.0681
Maint. & Repair	0.0231	0.0191	0.0182	0.0177	0.0173	0.0234
Gas,Oth.Svc.Stn.	0.0548	0.0546	0.0520	0.0344	0.0337	0.0330
VARIABLE E/T	0.0779	0.0737	0.0702	0.0521	0.0510	0.0564
F & V TOTALS	0.3312	0.2718	0.2380	0.2017	0.1974	0.1244

TABLE III

Hertz Corp. 2/85

YEARLY & 'LIFETIME' COSTS OF INTERMEDIATE-SIZE CAR BOUGHT NEW IN 1975, DRIVEN 10,000 MPY & SCRAPPED IN 1984
(Data from Hertz Car Ownership & Operating Costs Studiees Over Past Decade, in Cents-Per-Mile)

Car Purchase Price: $ 4676.0000

Car Age In Year (Use Period)	1	2	3	4	5	6	7	8	9	10	10-Year Average
Calendar Year	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	
Depreciation	0.1403	0.1122	0.0842	0.0561	0.0187	0.0140	0.0112	0.0047	0.0023	0.0012	0.0445
Insur., Licsns., Fees	0.0388	0.0491	0.0608	0.0698	0.0790	0.0521	0.0569	0.0616	0.0640	0.0664	0.0598
Interest Paid & Lost	0.0331	0.0331	0.0331	0.0331	0	0	0	0	0	0	0.0132
Sub-Total 'Fixed' or Standing Expenses	0.2122	0.1944	0.1781	0.1590	0.0977	0.0662	0.0681	0.0663	0.0663	0.0675	0.1176
Maintenance, Repairs	0.0191	0.0192	0.0212	0.0281	0.0319	0.0371	0.0412	0.0497	0.0538	0.0591	0.0360
Gasoline & Other Service Station Charges	0.0544	0.0551	0.0559	0.0564	0.0752	0.0935	0.1176	0.1196	0.1185	0.1182	0.0864
Sub-total Variable or Running Charges	0.0735	0.0743	0.0771	0.0845	0.1071	0.1306	0.1588	0.1693	0.1723	0.1773	0.1225
Total Fixed & Variable Expenses PER YEAR	0.2857	0.2687	0.2552	0.2435	0.2048	0.1968	0.2269	0.2356	0.2386	0.2448	0.2401
AVERAGE Annual Costs For Years Held	0.2587	0.2772	0.2699	0.2633	0.2516	0.2424	0.2402	0.2396	0.2395	0.2401	
AVERAGE Costs in '75	0.2587	0.2461	0.2248	0.2038	0.1751	0.1551	0.1399	0.1262	0.1223	0.1168	0.1769
ANNUAL Costs '75 $s	0.2587	0.2386	0.2126	0.1885	0.1426	0.1259	0.1321	0.1241	0.1218	0.1191	0.1664
YR.1 New Car Costs In Each Year**	0.2918	0.3024	0.3243	0.3494	0.4014	0.4659	0.5457	0.5801	0.5783	0.5899	
Cents Per Mile DIFFERENCE Keeping Old Car Vs. Trading For New One	——	0.0337	0.0691	0.1059	0.1966	0.2691	0.3188	0.3445	0.3397	0.3451	

NOTE: Figures in this and other Hertz car ownership
** studies reflect estimates for typical cars, typically-equipped and driven typical mileages by typical new-car-buying families.

TABLE IV

HERTZ CORP.

10-YEAR+ SUMMARY OF DOMESTIC AUTOMOBILE SIZE CHANGES

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CAR SIZE Example Model:	'Sub-compact' Escort	'Com-pact' Tempo GL4	'Mid-Size' Mustang L4	'Inter-mediate' LTD-4	'Standard' Crown Victoria
'84 LIST Price $	6,822	9,064	9,496	9,898	12,379
Wheelbase(")	94	100	101	106	114
Overall Length(")	164	176	179	197	211
Weight(lbs.)	2146	2443	2664	3001	3730
Change Vs.1983					
Weight Lbs.	130	-381	-36	20	-18
Pctg.	0.0645	-0.1349	-0.0133	0.0067	-0.0048
Price $	492.00	560.00	775.00	165.65	907.08
Pctg.	0.0777	0.0659	0.0889	0.0170	0.0791
Change Vs.1973					
Weight Lbs.	-70	-314	-565	-777	-562
Pctg.	-0.0316	-0.1139	-0.1750	-0.2057	-0.1309
Price $	3880	5979	5794	5991	8132
Pctg.	1.3188	1.9381	1.5651	1.5334	1.9148
'83 LIST Price $	6,330	8,504	8,721	9,732	11,472
Wheelbase(")	94	106	101	106	114
Overall Length(")	164	196	179	197	211
Weight(lbs.)	2016	2824	2700	2981	3748
'82 LIST Price	5,822	8,180	9,098	9,683	9,857
Wheelbase	94	106	106	108	114
Length	164	196	197	200	209
Weight	2011	2778	2941	3169	3602
'81 LIST Price	5417	7714	8195	8802	9023
Length	164	196	197	200	209
Weight	1987	2724	2948	3167	3602
'80 LIST Price	6042	6464	7106	7708	8781
Length	171	196	200	200	209
Weight	2488	2688	3250	3262	3584
'79 LIST Price	5004	5370	6265	6738	7793
Length	169	194	198	216	209
Weight	2449	2682	3249	3910	3611
'78 LIST Price	4647	5061	5759	6031	6379
Length	169	194	194	216	224
Weight	2425	2748	3349	4056	4266
'75 LIST Price	3622	4230	4979	5089	5515
Length	166	187	194	218	224
Weight	2581	2891	3243	4258	4502
'74 LIST Price	3304	3518	3857	4257	4870
Length	166	187	194	215	222
Weight	2443	2852	2964	4038	4302
'73 LIST Price	2942	3085	3702	3907	4247
Wheelbase	94	103	109	118	121
Length	165	183	194	212	220
Weight	2216	2757	3229	3778	4292

NOTE: Size classifications are arbitrary. Car names have changed.

DETAILS OF 1984 HERTZ COST ESTIMATE CALCULATIONS

1. Models Used: Sub-compact, Escort; Compact, Tempo; Mid-size, Mustang; Intermediate, LTD-4; Standard, Crown Victoria. Discounts assumed: Sub-compact, 8%; Compact, 5%; Mid-size, 4%; Intermediate, 3.5%; Standard, 4%. Sales Tax assumed: 5.825%; Purchase Prices resulting: Sub-compact, $6642; Compact, $9113; Mid-size, $9648; Intermediate, $10,103; Standard, $12,839.

2. Depreciation rates are estimated averages. Rates may vary widely from year to year or model to model, depending on a variety of factors including inflation, optional equipment and public perception of retained value, but over the years have been relatively consistent. Aggregate rates used are--1 year, 28%; 2 years, 49%; 3, 63%; 4, 73%; 5, 80%, 6, 86%; 7, 91%; 8, 95%; 9, 97%; 10 years, 98%. Abormally high or low mileage per year also will produce depreciation-rate variations of 1-3 cents per mile.

NOTE: No future inflation assumption is included; so-called "constant dollar figures are used. Therefore, inflation may alter longer-term ownership and operation expenses; however, inflation would also contribute to higher future new car purchase prices, so true depreciation is simply "postponed". Special Table shows 1975-model 10-year expenses reflecting automotive inflation for a decade. Depreciation usually is lower with high inflation, higher with low; other charges are normally higher than Hertz estimates.

3. Insurance based on $250,000/$500,000/$50,000 liability, $500 comprehensive and collision deductible. (Deductible has been increased over the years to reflect Hertz' attempt to estimate typical expenses for typical new-car-buying families with one or two youthful drivers, so comparisons from year to year are not precisely the same. Estimates assume full insurance is retained for duration of car loan; then, if car is kept longer, comprehensive-collision is dropped, only liability is retained.

4. Interest. For Ownership Periods up to five years, car loans are assumed to be for periods equal to ownership term -- e.g., 3-year loan for 3-year ownership, 5-year loan for 5-year ownership. For longer use, 5-year loan is maximum. (Before 1980 when 5-year loans became readily available, 4-years was maximum.) Loans are assumed to be 2/3rds of purchase price; cash down payment 1/3rd. Interest-LOST on down payment assumed only for loan duration. Interest assumes MONTHLY loan REPAYMENTS, QUARTERLY COMPOUNDING on interest lost as follows: Year 1, 14.83 paid, 9.8% lost; Year 2, 14.88%, 9.84%; Year 3, 14.94, 9.89; Year 4, 15.09, 10.01; Year 5, 15.15%, 9.92%.

5. Fuel-Efficiency & Maintenance cost estimates are based on Hertz experience, NOT on government, manufacturer or industry data. Estimates do not EQUAL Hertz costs, since study is intended to reflect expenses incurred by INDIVIDUAL drivers to help calculate outlays for personal autos. Hertz estimates also assume full, complete, proper, professional maintenance, which some motorists may not perform at intervals specified, rather than do-it-yourself repairs. Nevertheless, slight annual fuel-efficiency reductions are assumed in calculating gasoline costs.

6. Tolls & Garaging are excluded since these expenses can fluctuate widely even within the same geographical area, depending upon driving patterns, routes, etc. Such charges, however, are almost never "nothing." If a car is parked in the owner's GARAGE, for example, technically, a pro-rata expense (based on the garage size), should be applied. TOLLS can also make a substantial cost difference for commuters: two next-door neighbors driving equal distances to work in similar cars might have a 2-5c-a-mile variation. Major-city, mid-town PARKING likewise might add 5-25c-a-mile.

7.Cars Selected. Calculations are for typical cars, equipped typically, driven typical MILEAGE and kept typical yearly PERIODS. Major options ordered by most buyers are included on most models, such as automatic transmission, power steering and brakes, tinted glass and air conditioning. As noted, typical mileages and use assumptions are featured, but OTHER mileages and periods are also LISTED. This is to illustrate the substantial cents-per-mile and dollars-per-year cost VARIATIONS which different annual mileages and different use periods can produce.

8.Cents-Per-Mile Vs. Dollar-Per-Year Costs.Many drivers prefer CENT-PER-MILE car cost estimates for tax or employer/reimbursement reasons, but DOLLAR-PER-YEAR figures are better. Tables illustrate that high yearly mileage produces substantially lower cent-per-mile expenses because so-called fixed or standing charges such as insurance, taxes, licenses and interest are thus spread over a greater number of miles each year. STUDIES EXPRESSING COSTS FOR HIGH ANNUAL MILEAGE IN TERMS CENTS-PER-MILE RATHER THAN DOLLARS-PER-YEAR, THEREFORE, MAY BE MISLEADING.

Example: A compact model driven 10,000 miles a year costs 45.67c a mile (over the now-most-typical 5-year use), equal to $4567 a year. At 15,000 annual miles, per mile costs over 5 years, drop to 34.65c but add up to $5197 A YEAR. At 20,000 miles a year, PER-MILE charges fall even more, to 29.28c. But ANNUAL DOLLAR COSTS soar to $6621. Conversely, at just 5,000 miles a year, PER-MILE outlays were 79.51c for '84, but only $3975 ANNUALLY. The estimated national average mileage in 1983 was 8317 per-car per-year and the 5-year compact model expenditures at THAT travel rate are 52.52c a mile, but just $4359 a year.

9.Constant Annual Mileage. While some studies indicate (owing to statistical aberrations) that mileage put on cars-bought-new is higher in their earlier years of ownership, lower later, the reporting of such costs on a cents-per-mile and on a declining annual mileage basis can be SERIOUSLY MISLEADING. Such presentations mask the fact that longer car ownership normally reduces both cents-per-mile and dollars-per-year costs. This is because, for most domestic cars purchased new, DEPRECIATION is higher in the car's first years, less as it ages. Keeping a car after a loan is repaid results in lower average INTEREST, too; Also, collision and comprehensive INSURANCE may be dropped after loan repayments end. (For similar reasons, cars bought used traditionally cost less to own and run than new ones.)

Example:The study table for compact models shows that at the constant national average of 8317 miles a year typical costs drop from 61.41c a MILE—or $5107 a YEAR—for cars traded annually to 39.18c ($3259 a year) if the car is kept 10 years. However, if annual mileage declines each year (as at least one government report states), cents-per-mile outlays appear "flattened". They start at 44.45c for 12,651 miles assumed to have been run the FIRST year, climb to 45.21c for 8,126 miles assumed travelled the FIFTH year, and are 33.74 for just 4,429 miles assumed run in the 10TH.

10. Average and Annual Outlays. Selected costs are itemized for each year as well as average costs for varying years a car may be kept. Annual costs, especially, show the substantial expense-decline after a car loan is repaid and insurance is cut; the Hertz study figures shows that even though fuel and maintenance expenditures climb in later years after high mileage, these "running" charges almost never rise as fast as the fixed or "standing" charges drop. Thus, TOTAL average outlays almost always decline as a car ages.

The Hertz Corp. 2/85 # # # # #